

Australian Government

Department of Industry, Science, Energy and Resources

# Guideline: Offshore petroleum decommissioning

In relation to the Offshore Petroleum and Greenhouse Gas Storage Act 2006

Effective 2 March 2022

This document has been developed as a general guide only. It is subject to, and does not replace or amend the requirements of, the <u>Offshore Petroleum and Greenhouse Gas Storage Act 2006</u> and associated regulations, which should be read in conjunction with this guideline.

This guideline is made available by the Australian Government for information only. Before relying on this material, users should carefully evaluate the accuracy, currency, completeness and relevance of the information and obtain independent legal or other professional advice relevant to their circumstances.

This document has been prepared by the <u>Department of Industry, Science, Energy and Resources</u>. It will be reviewed and updated as required.

This document is available online at <u>www.nopta.gov.au.</u>

# Contents

Guideline: Offshore petroleum decommissioning1				
Table of revisions				
L. Introduction				
Australia's enhanced decommissioning framework	.4			
2. Purpose	.4			
3. Commonwealth decommissioning policies	.5			
Key principles for decommissioning	.5			
4. Core decommissioning provisions: OPGGS Act	.7			
Maintenance, repair and removal of property	.7			
Surrender of titles	.9			
5. Regulatory requirements	10			
Approvals from the National Offshore Petroleum Safety and Environmental Management				
Authority	10			
Approvals from the Joint Authority	15			
6. General and remedial directions	15			
General power to issue directions				
Power to issue remedial directions and trailing liability	16			
7. Other relevant laws	19			
Environment Protection (Sea Dumping) Act 1981	19			
Environment Protection and Biodiversity Conservation Act 1999	20			
Hazardous Wastes (Regulation of Exports and Imports) Act 1989	21			
State and Territory waste management legislation	21			
Attachment 1: Process for decommissioning and surrender of title	23			
Attachment 2: Glossary of key terms	24			

# Table of revisions

Date	Version	Purpose	Jurisdiction
February 2022	3	Update to reflect amendments from the <i>Offshore</i> <i>Petroleum and Greenhouse Gas Storage Amendment</i> ( <i>Titles Administration and Other Measures</i> ) <i>Act 2021</i> , refine existing guidance, and notification of further policy changes under the enhanced decommissioning framework. Guideline comes into effect 2 March 2022.	Commonwealth
February 2020	2	Update the department's name.	Commonwealth
January 2018	1	To establish a Guideline for the Commonwealth offshore petroleum decommissioning regime.	Commonwealth

# 1. Introduction

- 1.1. Decommissioning is a normal activity in the offshore petroleum lifecycle. Its purpose is to remove or otherwise satisfactorily deal with, in a safe and environmentally responsible manner, structures, equipment and property previously used to support activities in the offshore area. This includes plugging and abandoning wells, rehabilitating the site and carrying out any necessary monitoring.
- 1.2. This guideline update reflects the maturation and evolution of the petroleum industry as well as initial changes in policy and regulation stemming from reviews into Australia's decommissioning policy and practice. Further amendments to this guideline will be made and new guidance will be developed as additional policy updates are implemented.

## Australia's enhanced decommissioning framework

- 1.3. In April 2021, following a comprehensive review process, the Australian government announced it had agreed to enhance Australia's framework for the decommissioning of offshore oil and gas infrastructure.
- 1.4. The first stage of implementation included a series of amendments to the <u>Offshore</u> <u>Petroleum and Greenhouse Gas Storage Act 2006</u> (OPGGS Act) to strengthen the regulatory framework. The Offshore Petroleum and Greenhouse Gas Storage Amendment (Titles Administration and Other Measures) Bill 2021 (the Bill) was passed through Parliament on 24 August 2021 and will come into effect on 2 March 2022; this guideline has been updated to reflect these legislative amendments.
- 1.5. To support the implementation of the remaining measures under the framework, the department is developing a suite of modernised decommissioning guidelines.
- 1.6. These guidelines will include information on the government's expectations in relation to:
  - financial assurance, including the acceptable forms of assurance
  - how field development plans can be used to support decommissioning planning
  - how remedial directions will be used to promote compliance with decommissioning obligations
  - how expanded trailing liability provisions will operate in the event of a failure to decommission or in the event of a residual issue.

The suite of modernised decommissioning guidelines to support the implementation of the remaining measures under the framework are in development and will be released from 2022.

# 2. Purpose

2.1. The purpose of this guideline is to clarify the application, operation and interaction between components of the Commonwealth regime for decommissioning offshore petroleum property in Commonwealth waters under the OPGGS Act, associated regulations and, where applicable, other Commonwealth laws.

2.2. This guideline is to assist offshore petroleum titleholders to plan and seek the regulatory approvals necessary to undertake a decommissioning activity, and to understand the expectations of relevant decision-makers.

# 3. Commonwealth decommissioning policies

- 3.1. This Part outlines the key Australian Government policies relevant to decommissioning.
- 3.2. This guideline applies to all petroleum structures, equipment, wells and property (collectively referred to hereafter as 'property') brought onto the area under the authority of a title granted under the OPGGS Act, during any stage of operations. A separate guideline will be developed to outline requirements for greenhouse gas storage activities and property.

### Key principles for decommissioning

### Decommissioning is the responsibility of titleholders

- 3.3. Decommissioning activities are the responsibility of the registered holder of the title under which the activities take place.
- 3.4. This includes timely and effective planning, obtaining necessary approvals, and executing the activities in compliance with the OPGGS Act, the regulations (including accepted permissioning documents) and other applicable domestic and international laws.

### Early planning for decommissioning is encouraged

- 3.5. Titleholders are encouraged to plan for decommissioning at the early stages of project development, as part of an overall field development strategy.
- 3.6. Decommissioning should also be considered as part of the design and concept selection stages of project development or planning for an activity. This will ensure decommissioning obligations and associated costs can be factored into overall project costs and planning.

### Removal of all property is the "base case"

- 3.7. The removal of all property and the plugging and abandonment of wells in line with the provisions of s572 of the OPGGS Act is the default decommissioning requirement under the OPGGS Act (i.e. the 'base case').
- 3.8. This is consistent with Australia's international obligations, primarily under the United Nations Convention on the Law of the Sea (UNCLOS) and the 1996 Protocol to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, 1972, (the London Protocol), to remove disused installations and structures and to preserve and protect the marine environment.
- 3.9. The London Protocol is implemented domestically in Australia by the <u>Environment Protection</u> (Sea Dumping) Act 1981 (Sea Dumping Act). Persons proposing to dump controlled material at sea, abandon infrastructure at sea or to create an artificial reef, may be required to apply to the Minister for the Environment for a permit. Refer to the section on 'Environment Protection (Sea Dumping) Act 1981' for further details.

- 3.10. Australia's decommissioning policies also consider the requirements of the International Maritime Organisation (IMO) Resolution A.672(16) - <u>Guidelines and Standards for the</u> <u>Removal of Offshore Installations and Structures on the Continental Shelf and the Exclusive</u> <u>Economic Zone</u> (IMO Resolution). This instrument sets out the matters to be considered by State parties to UNCLOS when making decisions dealing with abandoned or disused installations on the Continental Shelf.
- 3.11. The IMO Resolution states that abandoned or disused offshore installations or structures on any continental shelf or in any exclusive economic zone (EEZ) are required to be removed, except where non-removal or partial removal is consistent with the guidelines and standards contained within.
- 3.12. The IMO guidelines and standards do not preclude a coastal state from setting more stringent removal requirements for existing or future offshore property.
- 3.13. All decisions regarding decommissioning of property will consider Australia's obligations under UNCLOS, including relevant IMO resolutions.
- 3.14. All decommissioning requirements are subject to other provisions of the OPGGS Act and regulations, directions given by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) or the responsible Commonwealth Minister, and other applicable laws. Further information on the maintenance and removal of property can be found in NOPSEMA's <u>Section 572 Maintenance and Removal of Property Policy</u>.
- 3.15. Options other than complete removal may be considered, however the titleholder must demonstrate that the alternative decommissioning approach delivers equal or better environmental outcomes compared to complete removal and meets all applicable requirements under the OPGGS Act and regulations, including well integrity and safety-related matters, and other applicable laws.

See 'Deviation from removal requirements' for further information on deviations from the basecase of full removal.

### Decommissioning must be completed before the end of title

- 3.16. All decommissioning activities must be undertaken while a title is still in force. This is to:
  - Ensure that all decommissioning activities are conducted under the framework of the OPGGS Act and regulations, providing legal and process certainty to all stakeholders and ensuring risks to safety, well integrity and the environment are effectively managed.
  - Provide a structured process for titleholders seeking consent to surrender a title, or to allow a title to expire, ensuring all applicable legislative and regulatory obligations have been met prior to a title ending.
- 3.17. The government requires titleholders to complete all decommissioning activities before their title ceases to be in force wholly, or in relation to blocks where decommissioning activities are to be completed. This includes where a title is brought to an end by a decision of a Joint Authority (e.g. where the Joint Authority consents to surrender a title) or by the direct operation of the OPGGS Act (e.g. where a title expires).

- 3.18. Requirements under Part 4.3 or Chapter 5A of the OPGGS Act in relation to approvals of transfers and change in control of a registered holder of a petroleum title continue to apply at all times before a title has come to an end. The timing and scale of remaining decommissioning obligations may be relevant for these decisions. For further information on these requirements, please refer to the *Guideline: Transfers, dealings, change in control and other titleholder transactions*.
- 3.19. Former titleholders may still be compelled by the government to undertake decommissioning activities

See 'Power to issue remedial directions and trailing liability' for further information.

# 4. Core decommissioning provisions: OPGGS Act

- 4.1. The core decommissioning provisions under the OPGGS Act are the obligation to remove disused property from the title area, and the criteria that must be met before the Joint Authority may consent to the surrender of a petroleum title. An overview of these provisions is provided below. This Part also provides an overview of relevant directions that may be issued under the OPGGS Act.
- 4.2. Other domestic laws (including Commonwealth laws and laws of the States and Territories) will also apply to decommissioning in relevant circumstances. These are outlined in 'Other relevant laws' below.

### Maintenance, repair and removal of property

- 4.3. Titleholders must maintain in good condition and repair all structures, equipment and other property in the title area that are used for activities authorised by the relevant title in accordance with the provisions of s572 of the OPGGS Act.
- 4.4. In the circumstances whereby property is not currently in active operation but the titleholder has not yet made arrangements for removal or otherwise, to the satisfaction of NOPSEMA, the government expects titleholders to maintain equipment in a state appropriate for removal and/or re-use where relevant, consistent with the legislation and policies set out in this guideline.
- 4.5. Under the OPGGS Act, a titleholder must remove all structures, equipment and other property in their title area that is neither used, nor to be used, for activities authorised by their title in accordance with the provisions of s572. This obligation is ongoing, and covers <u>both</u> the removal of property at the end of production <u>and</u> the removal of disused property at appropriate points throughout the life of an offshore petroleum activity.

**Example:** Exploration and appraisal wells that are not to be reused should be progressively plugged and abandoned, and wellheads removed (or alternative arrangements made), at the end of the activity or over the life of a title.

4.6. Titleholders should keep, and regularly review, a comprehensive inventory of property in their title areas, including reference to any associated approvals. Within the description of an activity in an environment plan, NOPSEMA requires titleholders to identify all property in the title area and demonstrate how the titleholder will maintain a comprehensive inventory and use it to monitor and manage property that will no longer be used and/or property that requires repair.

Further information can be found in NOPSEMA's <u>Information Paper – Considerations for five-year</u> <u>environment plan revisions</u> and <u>Section 572 Maintenance and Removal of Property Policy</u>.

- 4.7. Disused property should be removed as soon as practicable, or arrangements made to deal with the property in a manner that delivers equal or better environmental outcomes compared to complete removal and meets all applicable requirements under the OPGGS Act and regulations including well integrity and safety-related matters, and other applicable laws. Periodically removing property should also reduce the amount of property that must be dealt with at the end of an activity.
- 4.8. A failure to comply with the property maintenance, repair or removal obligations may attract a criminal penalty of up to 100 penalty units, or a civil penalty of up to 525 penalty units.<sup>1</sup>
- 4.9. Non-compliance may also be grounds for enforcement action, including issuing of a direction by NOPSEMA or, ultimately, cancellation of the relevant title by a Joint Authority.
- 4.10. Compliance with the requirements to maintain property in good condition and repair, and to remove disused property from the title area, are also relevant considerations in some Joint Authority decisions including decisions to: award and renew titles, or consent to surrender a title. These matters may also be considered in title transfers and change of control. It is therefore in the interests of industry to ensure that legal obligations are understood and that they are met on an ongoing basis.
- 4.11. When making decisions under the OPGGS Act, the Titles Administrator or Joint Authority may request advice from NOPSEMA in relation to compliance matters.
- 4.12. Information held by NOPSEMA about a titleholder's compliance with their obligations for maintenance and removal of equipment, amongst other relevant matters, may inform NOPSEMA's advice.

### Deviation from removal requirements

- 4.13. It is acknowledged that the variability of factors (including site-specific environmental and safety risks, type of property, and technology) may affect titleholders' decommissioning considerations and in some cases complete removal of all property may not always be practicable.
- 4.14. A titleholder's preliminary intentions with respect to the final state of property or infrastructure should be included in permissioning documents, prior to property being brought into the title area.

<sup>&</sup>lt;sup>1</sup> From 1 July 2017, one penalty unit equates to \$210 under s 4AA of the <u>Crimes Act 1914</u>. Consumer Price Indexation adjustment of the penalty unit amount occurs every three years thereafter.

- 4.15. Titleholders should identify any property that may need to be left in situ in their initial permissioning document. This position can be re-visited at subsequent stages in the project lifecycle through permissioning documents. For new projects, conceptual decommissioning plans should be established at the Offshore Project Proposal (OPP) phase. This is particularly relevant for equipment that is not intended to be removed such as well bore equipment.
- 4.16. Options other than removal of all property may be considered, where the alternative decommissioning approach delivers equal or better environmental outcomes compared to complete removal and meets all applicable requirements under the OPGGS Act and regulations, including well integrity and safety-related matters, and other applicable laws.
- 4.17. Titleholders must demonstrate the feasibility of decommissioning activities proposed in environment plans and consider how the proposal will ensure compliance with other requirements of the OPGGS Act and regulations such as well integrity and safety-related matters.
- 4.18. Titleholders should ensure decommissioning content is consistent across the suite of permissioning documents submitted to NOPSEMA.
- 4.19. When assessing the environment plan, NOPSEMA will consider the guidelines and standards provided by the IMO Resolution, to ensure consistency in the decision making process. NOPSEMA must also be satisfied that the usual criteria for acceptance of an environment plan under the <u>Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations</u> 2009 (the Environment Regulations) have been met.
- 4.20. NOPSEMA's acceptance of an environment plan that includes a plan for any property to be left in situ is taken to constitute arrangements that are satisfactory to NOPSEMA for the purposes of OPGGS Act s 270(3) and the titleholder would not be required to remove the property in order to comply with s 572(3).

Further information on the maintenance and removal of property can be found in NOPSEMA's <u>Section 572 Maintenance and Removal of Property Policy</u>.

### Surrender of titles

- 4.21. Under s 269 of the OPGGS Act, a titleholder may apply to the National Offshore Petroleum Titles Administrator (NOPTA) for the Joint Authority's consent to surrender their title. Holders of exploration permits, production licences or pipeline licences can apply to surrender the permit or licence in whole or part. Retention leases and infrastructure licences can only be surrendered in their entirety.
- 4.22. Subsection 270(3) sets out the criteria that must be met before the Joint Authority may consent to the surrender of a title. These include a number of decommissioning obligations. In particular, the titleholder must have, to the satisfaction of NOPSEMA:

- removed, or caused to be removed, all property brought into the surrender area<sup>2</sup> by any person engaged or concerned in operations authorised by the title, or made arrangements that are satisfactory to NOPSEMA in relation to that property.
- plugged or closed off any wells made in the surrender area by any person engaged or concerned in the operations authorised by the title.
- provided for the conservation and protection of the natural resources in the surrender area.
- made good any damage to the seabed or subsoil in the surrender area caused by any person engaged or concerned in the operations authorised by the title.
- 4.23. Following the surrender of title, the title area becomes vacant acreage in Commonwealth waters.<sup>3</sup>

<u>Further information</u> on surrendering titles can be found in factsheets on the NOPTA website.

# 5. Regulatory requirements

5.1. This Part outlines the regulatory approvals that must be sought to decommission property. A flowchart outlining these approvals processes is also included for reference in <u>Attachment 1.</u>

## Approvals from the National Offshore Petroleum Safety and Environmental Management Authority

- 5.2. NOPSEMA is the expert regulator for safety, well integrity and environmental management for offshore petroleum activities, including decommissioning. NOPSEMA assesses duty holders' permissioning documents, to determine whether safety, well integrity and environmental risks have been appropriately identified and will be managed to levels that are as low as reasonably practicable (ALARP)<sup>4</sup>. Environmental impacts and risks must also be managed to levels that are acceptable.
- 5.3. NOPSEMA monitors and enforces compliance with regulatory requirements through implementing its compliance strategy.
- 5.4. It is an offence to undertake offshore petroleum activities (including decommissioning) in Commonwealth waters without relevant permissioning documents in force (including a <u>safety case, well operations management plan</u> and <u>environment plan</u> as applicable).

<sup>&</sup>lt;sup>2</sup> Under the OPGGS Act, the *surrender area* is, in the case of a petroleum production licence or petroleum exploration permit, the area constituted by the block or blocks as to which the permit or licence will be surrendered. For retention leases and infrastructure licences, the *surrender area* is the title area.

For pipeline licences, the *surrender area* is the part of the offshore area in which the pipeline is constructed (if the licence is to be surrendered as to the whole of the pipeline), or the part of the offshore area in which the relevant part of the pipeline is constructed (if the licence is to be surrendered as to a part of the pipeline).

<sup>&</sup>lt;sup>3</sup> 'Vacant acreage' is the term generally used to refer to an area not subject to an existing petroleum exploration permit, retention lease or production licence.

<sup>&</sup>lt;sup>4</sup> <u>Further guidance on 'ALARP'</u> and 'acceptable' is available on the <u>NOPSEMA website</u>.

- 5.5. New or revised documents submitted to NOPSEMA are assessed against the criteria set out in the OPGGS regulations.
- 5.6. As part of its assessment and approval processes, NOPSEMA considers proposed decommissioning approaches.
- 5.7. As outlined above, removal of all property remains the decommissioning 'base case', consistent with UNCLOS and applicable international standards. Other options are considered only if the titleholder can demonstrate the alternative approach delivers equal or better environmental outcomes compared to complete removal and meets all applicable requirements under the OPGGS Act and regulations including well integrity and safety-related matters, and other applicable laws.

Further information about NOPSEMA, as well as additional guidance on regulatory obligations and approvals processes, is available on the <u>NOPSEMA website</u>.

### Environmental management

5.8. Environmental management for petroleum activities is regulated under the Environment Regulations.

### Offshore Project Proposals

- 5.9. The OPP framework allows whole-of-project assessment by NOPSEMA, and permits stakeholders to input into project development proposals and raise concerns relating to environmental sensitivities, impacts and risks.
- 5.10. A proponent must include in their OPP a description of actions proposed to be taken, following completion of the project, in relation to facilities. This includes proposed decommissioning activities in relation to those facilities.
- 5.11. The Environment Regulations also permit titleholders to use the OPP process for a standalone decommissioning activity. However, this is not a requirement. Where a titleholder is considering using the OPP process for a stand-alone decommissioning activity, early engagement with NOPSEMA is recommended.

### Environment plans

- 5.12. Decommissioning activities, including removing or otherwise dealing with property and remediating the title area, are petroleum activities<sup>5</sup> for the purposes of the Environment Regulations.
- 5.13. The titleholder undertaking the activities will therefore need to submit and receive acceptance for an environment plan (or receive acceptance for a revision of an existing plan, if appropriate) before the relevant activities may commence. Titleholders must also undertake all activities in a manner consistent with their accepted environment plan.

<sup>&</sup>lt;sup>5</sup> Under the Environment Regulations, a *petroleum activity* means operations or works in an offshore area, undertaken for the purpose of:

<sup>(</sup>a) exercising a right conferred on a petroleum titleholder under the OPGGS Act by a petroleum title; or

<sup>(</sup>b) discharging an obligation imposed on a petroleum titleholder by the OPGGS Act or a legislative instrument under the Act.

- 5.14. In assessing an environment plan, NOPSEMA will consider whether the titleholder has identified all environmental impacts and risks associated with the activity, and demonstrated how those impacts and risks will be managed to ALARP and acceptable levels. Further, in the context of decommissioning, the environment plan is the key permissioning document assessed by NOPSEMA through which titleholders can demonstrate compliance with the majority of decommissioning obligations under s 270(3) of the OPGGS Act (relating to surrender of title).
- 5.15. Consequently, where a titleholder is seeking to surrender a title post-decommissioning, the titleholder should ensure the environment plan for the relevant activity or activities addresses the following matters:
  - the removal of all property to which the plan relates, or alternative arrangements for that property (e.g. partial or complete decommissioning in-situ).
  - the protection and conservation of natural resources (as they relate to environmental management) in the area to which the environment plan relates.<sup>6</sup>
  - any measures necessary to make good any damage to the seabed or subsoil in the title area.
- 5.16. For NOPSEMA to accept an environment plan, the plan must meet all of the criteria in the relevant provision of the Environment Regulations.
- 5.17. In February 2014, NOPSEMA's environmental management authorisation process was endorsed by the Minister for the Environment under Part 10 of the <u>Environment Protection</u> <u>and Biodiversity Conservation Act 1999</u> (EPBC Act) as a Program which meets the requirements of the EPBC Act, effectively streamlining environmental assessment and approvals for applicable offshore petroleum and greenhouse gas activities.
- 5.18. The Program requires the consideration of all environmental impacts and risks arising from the activities, including those relevant to matters protected under the EPBC Act.
- 5.19. Any decommissioning of applicable offshore petroleum and greenhouse gas activities are activities covered by the Program's streamlined approvals arrangements. This means that for applicable decommissioning activities authorised under the endorsed Program, it is not necessary for the duty holder to seek separate environmental approvals under the EPBC Act<sup>7</sup>. Further information is provided in the section below on the '*Environment Protection and Biodiversity Conservation Act 1999*'.

<sup>&</sup>lt;sup>6</sup> For the purposes of the OPGGS Act, *natural resources* has the meaning given by Article 77, paragraph 4 of the United Nations Convention on the Law of the Sea (UNCLOS), which states:

<sup>&</sup>quot;The natural resources referred to in this Part consist of the mineral and other non-living resources of the seabed and subsoil together with living organisms belonging to sedentary species, that is to say, organisms which, at the harvestable stage, either are immobile on or under the seabed or are unable to move except in constant physical contact with the seabed or the subsoil."

<sup>&</sup>lt;sup>7</sup> Where deviations from removal of all property are proposed, EPBC Act approvals may be needed in line with sea dumping requirements.

NOPSEMA has published on its website a suite of <u>policy guidance</u> on environmental management (including specific guidance for environment plans and OPPs), as well as <u>additional guidance</u> on its decision-making process for environment plans.

### End of operation of an environment plan

- 5.20. Under the Environment Regulations, to bring an environment plan to an end the titleholder must notify NOPSEMA that the activity or activities to which the plan relates have ended, and that all of the obligations under the environment plan have been completed.
- 5.21. The obligations under an environment plan are taken to be all of the commitments and performance standards contained within the environment plan, as well as other relevant regulatory requirements, such as the provision of all relevant reports in relation to the environment plan.
- 5.22. Once a titleholder has given the required notification, NOPSEMA will conduct its own verification to confirm all obligations under the environment plan have been completed. This will include checking the status of inspection recommendations, incidents, reporting, and environmental performance.
- 5.23. NOPSEMA will advise the titleholder when the notification has been accepted, or if further action is required prior to NOPSEMA being able to accept the notification.
- 5.24. Once the notification is accepted, the environment plan ends, meaning it is no longer in force for the activity, and the ability to conduct the activity under that environment plan ceases.
- 5.25. The environment plan cannot be reactivated or revised after this time.

NOPSEMA has published <u>guidance</u> on the end of operation of environment plans on its website. It is recommended that titleholders are familiar with this guidance and with obligations under the Environment Regulations in determining whether a particular environment plan has ended.

### Safety

5.26. Safety of offshore petroleum activities is regulated under Schedule 3 to the OPGGS Act and under the <u>Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009</u> (Safety Regulations).

### Safety cases

- 5.27. Decommissioning activities (particularly removing property) will often involve work undertaken at or near a facility.
- 5.28. Under the Safety Regulations, persons are not permitted to undertake any work with respect to a facility in Commonwealth waters including decommissioning a facility or part of a facility without a safety case in force that provides for the relevant activity.
- 5.29. If the operator of a facility wishes to have a safety case accepted for that facility, they must submit the safety case to NOPSEMA under the Safety Regulations. The safety case is then subject to an assessment process, which enables NOPSEMA to evaluate and challenge the operator's proposed risk management arrangements, performance standards and control measures.

5.30. If a safety case is already in force for a facility, but decommissioning is not adequately addressed therein, the operator must submit a revised safety case, and have the revised case accepted by NOPSEMA, before decommissioning the facility.

NOPSEMA has published on its website comprehensive <u>policy guidance</u> on safety risk management (including the safety case framework). It is recommended that titleholders are familiar with this guidance and with their obligations under the OPGGS Act and the Safety Regulations before undertaking any activity in relation to a facility.

NOPSEMA also provides an <u>overview</u> of applicable occupational health and safety (OHS) laws on its website.

### Well integrity

5.31. Well integrity in the offshore petroleum sector is regulated under Part 5 of the <u>Offshore</u> <u>Petroleum and Greenhouse Gas Storage (Resource Management and Administration)</u> <u>Regulations 2011</u> (RMA Regulations). Titleholders also have OHS duties relating to wells under Schedule 3 to the OPGGS Act.

### Well operations management plans

- 5.32. Decommissioning a field typically involves the permanent plugging and abandonment<sup>8</sup> of wells. Plugging and abandonment is a well activity for the purposes of Part 5 of the RMA Regulations.
- 5.33. Prior to undertaking a well activity, titleholders must have an accepted well operations management plan (WOMP) that applies to that activity. The WOMP is required to cover the life of the relevant well, up to and including permanent abandonment.
- 5.34. It is an offence to carry out a well activity in Commonwealth waters without a WOMP, or in a manner inconsistent with an accepted WOMP.
- 5.35. On submission of a WOMP by a titleholder, NOPSEMA assesses the WOMP to evaluate whether the titleholder has provided for risks to well integrity to be reduced to ALARP. All WOMPs must describe the arrangements that will be in place for suspension and abandonment of the well.
- 5.36. Titleholders must also provide advance notification to NOPSEMA, copied to NOPTA (the Title Administrator), before commencing specified well activities, including plugging and abandonment, in accordance with the requirements of the RMA Regulations.

### End of a well operations management plan

- 5.37. Under the RMA Regulations, to bring a WOMP to an end the titleholder must have permanently abandoned the well or wells to which the WOMP relates and given NOPSEMA a written report of the process undertaken in abandoning the well(s) (including the outcomes of that process).
- 5.38. NOPSEMA will advise the titleholder when it is reasonably satisfied that the process of abandoning the well or wells was undertaken in accordance with the WOMP, or if further

<sup>&</sup>lt;sup>8</sup> Where this document refers to plugging and abandonment, it has the same meaning as "plugged and closed off" in the OPGGS Act and "permanently abandoned" in the RMA Regulations.

action, information or confirmation is required prior to NOPSEMA being able to accept the written report.

5.39. Once reports for all wells to which the WOMP relates are accepted, the WOMP ends, meaning it is no longer in force and the ability to conduct well activities under that WOMP ceases. The WOMP cannot be reactivated or revised after this time.

NOPSEMA has published on its website a comprehensive suite of <u>policy guidance</u> on well activities. It is recommended that titleholders are familiar with this guidance and with their obligations under the RMA Regulations, before undertaking any activity in relation to a well.

### Approvals from the Joint Authority

- 5.40. The Joint Authority is responsible for assessing and accepting production licensees' field development plans (FDPs) under the RMA Regulations. The Joint Authority will consider advice provided by NOPTA in making decisions on FDPs.
- 5.41. Under the RMA Regulations, a production licensee may not recover petroleum, unless on an appraisal basis, without an accepted FDP in place.
- 5.42. The FDP will be accepted by the Joint Authority if it is satisfied that the FDP includes the matters in the relevant provision of the RMA Regulations, and demonstrates that the person will conduct pool management in the field consistent with good oilfield practice and compatible with optimum long-term recovery of the petroleum.
- 5.43. While there is currently no express requirement to include decommissioning in the FDP, the plan must include the project schedule and development strategy. Further, where a production licensee proposes to cease production, permanently or for the long term, before the date proposed in the FDP, this would constitute a 'major change. The RMA Regulations require an application to the Joint Authority, through NOPTA, for a variation to the accepted FDP.
- 5.44. Where a titleholder is considering ceasing production, it is recommended they contact NOPTA for further information on the applicable process.
- 5.45. Once decommissioning activities have been satisfactorily completed, the Joint Authority is also the decision-maker on an application to surrender an offshore petroleum title.
- 5.46. As part of implementing the enhanced decommissioning framework, the government is considering how FDPs could be used to support decommissioning planning.

Further information about the Joint Authorities is available on the <u>NOPTA website</u>. Also available are <u>operating protocols</u> for the Joint Authorities and <u>guidelines for Joint Authority decisions</u>.

# 6. General and remedial directions

### General power to issue directions

6.1. Under s 574 of the OPGGS Act, NOPSEMA may give a direction to a titleholder as to any matter in relation to which regulations may be made. Specific matters in relation to which regulations may be made are set out in s 782 of the OPGGS Act, and include, but are not limited to:

- the exploration for and recovery of petroleum, and the carrying on of operations or works for those purposes
- the conservation of, and prevention of the waste of, the natural resources (whether petroleum or otherwise) of the continental shelf
- the maintaining in good condition and repair all structures, equipment and other property used or intended to be used in connection with exploring for or exploiting petroleum
- the removal from an offshore area of structures, equipment and other items of property that have been brought into the offshore area for or in connection with exploring for or exploiting petroleum, and are no longer used, or intended to be used, for those purposes.
- 6.2. The responsible Commonwealth Minister may issue similar directions under s 574A of the OPGGS Act. However, a direction issued by the responsible Commonwealth Minister must relate to resource management, resource security or data management.

### Power to issue remedial directions and trailing liability

- 6.3. Under sections 586, 586A, 587 and 587A of the OPGGS Act, the responsible Commonwealth Minister and NOPSEMA have the power to issue remedial directions.
- 6.4. Remedial directions can compel a person to undertake remedial works, including decommissioning. They can be issued to various persons who are, or who have been, involved in or benefited from a petroleum activity and are the mechanism through which trailing liability is implemented.
- 6.5. Trailing liability refers to the power for a titleholder, former titleholder or a 'related person' to be called back (through a remedial direction) to undertake decommissioning and remediation activities.
- 6.6. Trailing liability ensures that the costs and liabilities that are associated with a petroleum activity remain the responsibility of those who held the title, or had the ability to influence activities under the title.
- 6.7. Trailing liability is used as a measure of last resort where all other regulatory options have been exhausted.

The Offshore Petroleum and Greenhouse Gas Storage Amendment (Titles Administration and Other Measures) Act 2021 amends sections of the OPGGS Act dealing with remedial directions. These amendments extend the reach of existing trailing liability provisions and are a key element of a suite of policy measures that will enhance the decommissioning framework. Changes relating to remedial directions apply only to titles, and their relevant titleholders and related persons, as they exist on or after 1 January 2021. Directions can be issued in relation to titles that ceased to be in force before this date in accordance with previous versions of the OPGGS Act.

A new guideline specifically relating to trailing liability will be made available in 2022. This guideline will provide additional information about when the trailing liability provisions may be used, and what factors may be considered to determine which former titleholder or related person would be called back to address issues.

# Remedial directions can apply to titles that are in force or titles that have ceased to be in force

- 6.8. Remedial directions can be given in relation to titles that are in force, or titles that have wholly or partly ceased to be in force.
- 6.9. In relation to titles that are in force, NOPSEMA or the responsible Commonwealth Minister can require the direction to be complied with on or before the 'applicable date'. The 'applicable date' is generally the expiry date of the title; however, in the case of a production licence, infrastructure licence, or pipeline licence, the 'applicable date' is the first date on which the licence can be terminated under the OPGGS Act.
- 6.10. In relation to titles that have wholly or partly ceased to be in force on or after
  1 January 2021, remedial directions can be issued in relation to the vacated area<sup>9</sup> regardless of how the title ceased to be in force.
- 6.11. In relation to titles that have wholly or partly ceased to be in force prior to 1 January 2021, remedial directions can be issued in relation to the vacated area<sup>9</sup> only if the title ceased to be in force other than by way of surrender. However, in the case of an access authority or special prospecting authority that ceased to be in force prior to 1 January 2021, a direction can be issued regardless of how the title ceased to be in force.
- 6.12. It is important to note that even if a new title is granted over part or all of the 'vacated area' of a previous title, NOPSEMA and the relevant Commonwealth Minister can still issue a direction under s 587 or s 587A to a former titleholder in respect to the part of the vacated area over which the new title is in force or the remaining part of the vacated area.
  - It is important to note that the holder of the new permit would not be issued a direction in relation to actions taken under the previous title.

### Purposes for which remedial directions can be issued

6.13. NOPSEMA and the responsible Commonwealth Minister can issue directions to do one or more of the following things, where a title is in force or has wholly or partly ceased to be in force:

<sup>&</sup>lt;sup>9</sup> 'Vacated area' is defined in section 14 of the OPGGS Act.

- plug or close off wells drilled in the title area or vacated area by any person engaged or concerned in the activities authorised by the title
- provide for the conservation and protection of the natural resources in the title area or vacated area
- make good any damage to the seabed or subsoil in the title area or vacated area caused by any person engaged or concerned in the activities authorised by the title
- 6.14. NOPSEMA also has the power to issue remedial directions to require a person to:
  - remove property brought into the title area or vacated area by any person engaged or concerned in activities authorised by the title
  - make arrangements in relation to that property.
- 6.15. A remedial direction can only be issued by the responsible Commonwealth Minister where the purpose of the direction relates to resource management or resource security.

### Persons that can be issued a remedial direction

- 6.16. NOPSEMA or the responsible Commonwealth Minister may issue a remedial direction to any of the following:
  - where the title is in force:
    - the current registered holder of the permit, lease or licence; or
    - a related body corporate of the **current** registered holder of the permit, lease or licence; or
    - **any former** registered holder of the permit, lease or licence that held the title on or after 1 January 2021; or
    - a person who was a 'related body corporate' of **any former** registered holder of the permit, lease or licence at the time the permit, lease or licence was in force, if the former registered holder held the permit, lease or licence on or after 1 January 2021 – see note 1; or
    - a 'related person' in relation to the title on or after 1 January 2021 see note 2.
  - where the title ceased to be in force <u>in part</u> before 1 January 2021, the holder of the title at the time it ceased to be in force in part, if the title ceased to be in force other than by way of surrender
  - where the title <u>wholly</u> ceased to be in force before 1 January 2021, the immediate former holder of the title, that is, the holder of the title at the time it wholly ceased to be in force, if the title wholly ceased to be in force other than by way of surrender<sup>10</sup>.
  - where the title ceased to be in force in whole or in part on or after 1 January 2021:
    - the current registered holder of the title (if the title ceased to be in force in part); or
    - a 'related body corporate' of the current registered holder of the title (if the title ceased to be in force in part) see note 1; or

<sup>&</sup>lt;sup>10</sup> Except in the case of special prospecting authorities and access authorities.

- any former registered holder of the title that held the title on or after 1 January 2021; or
- a person who was a 'related body corporate' of **any former** registered holder of the title at the time the title was in force, if the former registered holder held the title on or after 1 January 2021 – see note 1; or
- a 'related person' in relation to the title on or after 1 January 2021 see note 2.

**Note 1** - 'related body corporate': Where the OPGGS Act refers to a 'related body corporate' of a titleholder or former titleholder, this has the same meaning as in the Corporations Act 2001, which includes a parent company or a subsidiary.

**Note 2** - 'related person': The responsible Commonwealth Minister may determine that a remedial direction could be issued by NOPSEMA or the Minister to a related person in relation to a title, taking into account circumstances or events on or after 1 January 2021. To make the determination, the Minister must be satisfied that it is reasonable to do so on the basis that the related person is capable of significantly benefiting financially or has significantly benefited financially from the activities authorised by the title, and/or is or has been in a position to influence compliance with obligations under the OPGGS Act, and/or acts or has acted jointly with the current or former titleholder in relation to activities authorised by the title.

# 7. Other relevant laws

7.1. The OPGGS Act and regulations are the primary instruments applicable to decommissioning in Commonwealth waters. However, a number of other Commonwealth and State or Territory laws may also apply to the decommissioning process. Other key laws are outlined below.

# Environment Protection (Sea Dumping) Act 1981

- 7.2. Australian waters<sup>11</sup> are protected from wastes and pollution dumped at sea by the Sea Dumping Act, which regulates the loading and dumping of wastes at sea (including the subsoil thereof), as well as the creation of artificial reefs. A proposal to dispose of property at sea, or to abandon property in-situ, may require a permit under the <u>Environment</u> <u>Protection (Sea Dumping) Act 1981</u> (Sea Dumping Act).
- 7.3. The Sea Dumping Act implements Australia's international obligations under the London Protocol. The Sea Dumping Act is administered by the Department of Agriculture, Water and the Environment (DAWE). Under the Act, the Commonwealth aims to address marine pollution by:
  - prohibiting ocean disposal of waste considered too harmful to be dumped.

<sup>&</sup>lt;sup>11</sup> 'Australian waters', as defined for the purposes of the Sea Dumping Act, cover the territorial seas (other than seas within the limits of a state or the Northern Territory), the exclusive economic zone, and waters above the Australian continental shelf. This is broader than the coverage of 'Commonwealth waters' under the OPGGS Act, which extends from three nautical miles seaward of the territorial sea baseline.

- regulating the disposal of controlled material and the creation of artificial reefs, to ensure that environmental impacts are minimised.
- prohibiting incineration at sea of wastes and other matter.
- prohibiting export of wastes and other matter for dumping at sea.
- 7.4. Under the Sea Dumping Act, titleholders may require a sea dumping permit during any phase of offshore works that is not exploration, exploitation or offshore processing. If a titleholder proposes to leave property partially or wholly in-situ, or dispose of property at a different site, or create an artificial reef, a permit under the Sea Dumping Act may be required.
- 7.5. Under the Sea Dumping Act, "dumping" includes:
  - deliberate disposal into the sea of wastes from platforms, vessels or other man-made structures at sea.
  - deliberate disposal into the sea of platforms or other man-made structures at sea.
  - any storage of wastes or other matter in the seabed or subsoil thereof from platforms, vessels or other man-made structures at sea.
  - abandonment or toppling at site of platforms or other man-made structures at sea.
- 7.6. Proponents are recommended to contact the Department of Agriculture, Water and the Environment to clarify their obligations early in their planning phases. A permit may be granted or refused after consideration of relevant sections of the London Protocol.
- 7.7. The EPBC Act is also relevant to sea dumping activities. Under s 160(1) of the EPBC Act, if an action that would be authorised by a sea dumping permit will have, or is likely to have, a significant impact on a matter of national environmental significance, the Minister for the Environment's advice must be obtained before a permit is granted.

Further information on sea dumping is available on the DAWE website.

# Environment Protection and Biodiversity Conservation Act 1999

- 7.8. The EPBC Act, administered by DAWE, is the Commonwealth's primary environmental legislation. Activities that will, or are likely to, have a significant impact on a Matter of National Environmental Significance require approval from the Minister for the Environment under the EPBC Act before they can proceed.
- 7.9. Under an initiative to streamline environmental regulation of petroleum and related activities in Commonwealth waters, a Strategic Assessment was approved under Part 10 of the EPBC Act on 27 February 2014 (*Strategic Assessment of the environmental management authorisation process for petroleum and greenhouse gas storage activities administered by the National Offshore Petroleum Safety and Environmental Management Authority under the Offshore Petroleum and Greenhouse Gas Storage Act 2006* ('the Program')). NOPSEMA is the regulator and approval holder under this Strategic Assessment.
- 7.10. Under 'the Program', entities seeking to undertake most offshore petroleum activities (including decommissioning) in Commonwealth waters are regulated by NOPSEMA and do not require separate approval under Part 7, 8 and 9 of the EPBC Act.

- 7.11. However, in circumstances where decommissioning activities are related to an approval granted under the EPBC Act prior to the Program commencing, those conditions must be met for the activity to proceed.
- 7.12. Where it is unclear whether an activity or part of an activity is authorised under the Program, the titleholder should consult with NOPSEMA in the first instance to clarify what approvals may be required.
- 7.13. In addition, if decommissioning activities occur wholly, or in part, in State or Territory marine waters, and will, or are likely to, have a significant impact on a Matter of National Environmental Significance, then a referral under Part 7 of the EPBC Act is likely to be required, in addition to any necessary State or Territory approvals.

Further information is available on the DAWE website: <u>Referral, assessment and approval processes under the EPBC Act</u> <u>NOPSEMA Strategic Assessment</u>

# Hazardous Wastes (Regulation of Exports and Imports) Act 1989

7.14. The <u>Hazardous Wastes (Regulation of Exports and Imports) Act 1989</u> regulates the export and import of controlled wastes. Under the Act, interested parties may apply to the Minister for the Environment for a permit to transport controlled wastes in and out of Australia.

Further information on the hazardous wastes regime is available on the DAWE website.

### State and Territory waste management legislation

- 7.15. The decommissioning process typically involves dealing with a variety of waste products, including property (such as facilities, pipelines, wellheads, anchors, etc.) used to support petroleum activities, drill cuttings and other debris generated during the decommissioning process, and oils and other wastes generated when cleaning decommissioned property.
- 7.16. Where onshore treatment and disposal of wastes is to be undertaken as a component of decommissioning, management of this waste is primarily the responsibility of the States and Territories, which regulate and manage waste in accordance with their respective legislation, policies and programs. This includes: planning for waste management and waste avoidance, minimization and reuse; licensing and regulation of waste transport, storage, treatment, resource recovery and disposal; and managing the impacts of waste management activities.

7.17. All State and Territory governments have enacted comprehensive legislative and policy instruments to protect the environment and to conserve natural resources.

An <u>outline</u> of the waste management legislation and strategies for each Australian jurisdiction is provided on the DAWE website. A more comprehensive overview for each jurisdiction is also provided in the following factsheets:

- Australian Capital Territory
- Northern Territory
- South Australia
- <u>Victoria</u>

- New South Wales
- Queensland
- <u>Tasmania</u>
- Western Australia

# Attachment 1: Process for decommissioning and surrender of title

Proponent submits Offshore Project Proposal (OPP) to NOPSEMA (if relevant). Titleholder submits field development plan (FDP) to the Operator submits safety case (SC), and titleholder submits environment plan (EP) and well operations management plan Joint Authority through NOPTA. (WOMP) to NOPSEMA for relevant activities (or submits a revision if appropriate). Production commences. Throughout the course of offshore petroleum activities, titleholders must consider their ongoing obligation to remove disused property from the title area, and to maintain property in good condition and repair. Titleholder decides to cease production and decommission title area. Sea Dumping Act **RMA Regulations - Field RMA Regulations - Wells Safety Regulations Environment Regulations** development *If decommissioning includes* Titleholder submits WOMP Operator submits new disposal or abandonment of Titleholder submits (covering well abandonment) to If production is to cease earlier than decommissioning-specific SC decommissioning-specific EP(s) to *property at sea*, proponent (likely agreed in the initial FDP, titleholder NOPSEMA, if necessary. Titleholder to NOPSEMA, or revises NOPSEMA, or revises existing EP(s) to submits revised FDP to NOPTA for notifies NOPSEMA before existing SC to cover cover decommissioning. Minister for the Environment for a acceptance by the Joint Authority. commencing abandonment. decommissioning. sea dumping permit. Titleholder decommissions property (including plugging and abandoning wells) in accordance with accepted permissioning documents. **RMA Regulations Environment Regulations** Titleholder notifies NOPSEMA of end of well Titleholder notifies NOPSEMA of end activities, and submits abandonment report. of activities under EP. Titleholder makes an application to surrender title to the Joint Authority. Once the Joint Authority consents to the surrender, title area becomes vacant acreage.

# Attachment 2: Glossary of key terms

Provided below are definitions of some of the key terms used throughout the guideline. Please note that these definitions are for the purposes of this document only. They should not be taken as a substitute for definitions provided in the OPGGS Act, the regulations, or other relevant legislation.

### As low as reasonably practicable

Refers to reducing impacts and risks to a level that is as low as reasonably practicable (ALARP). In practice, this means the duty holder (e.g. titleholder or operator) must show, through reasoned and supported arguments, that there are no other practicable options that could reasonably be adopted to reduce risks further. Risks are generally considered to be reduced to ALARP when the costs of reducing risks further are considered grossly disproportionate to the level of risk reduction achieved.

#### Coastal waters

So much of the scheduled area of a State or the Northern Territory as consists of the territorial sea and waters landward of the territorial sea that are not within the limits of the State or Territory. The territorial sea comprises waters of the sea within three nautical miles of the territorial sea baseline.

### Commonwealth waters

Under the OPGGS Act, any area of water situated between three nautical miles from the territorial sea baseline and the outer limits of the Australian continental shelf. Generally, this refers to waters in the offshore area of a State or the Northern Territory.

### Decommissioning

The process of removing or otherwise satisfactorily dealing with offshore petroleum property and wells in a safe and environmentally responsible manner, at the end of its useful life. This includes plugging and permanently abandoning all wells, removing structures, plant, equipment and other property, rehabilitating the site and carrying out any necessary monitoring.

#### Environment plan

An environment plan is a document by which a titleholder identifies potential impacts and risks of a petroleum activity to the receiving environment, and sets out control measures to reduce impacts and risks to ALARP and to acceptable levels. It is an offence to undertake a petroleum activity in Commonwealth waters without an accepted environment plan that provides for that activity.

#### Facility

Under clause 4 of Schedule 3 to the OPGGS Act, a facility is any vessel or structure located at a site in Commonwealth waters, which is being used or prepared for use at that site for any of the following:

- a) recovery, processing, or storage or offloading of petroleum, or any combination of those activities; or
- b) provision of accommodation for persons working on another facility; or
- c) drilling or servicing a well for petroleum or doing work associated with the drilling or servicing process; or

- d) laying pipes for petroleum, including manufacturing such pipes, or doing work on an existing pipe; or
- e) erection, dismantling or decommissioning a vessel or structure referred to in paragraphs (a)-(d); or
- f) any other prescribed purpose related to offshore petroleum operations.

Pipelines subject to pipeline licences are facilities for the purposes of Schedule 3 to the OPGGS Act.

The following are <u>not</u> facilities for the purposes of the OPGGS Act: offtake tankers, tugs and anchor handlers; vessels and structures used for supplying a facility or otherwise travelling between a facility and the shore; vessels and structures declared by the regulations not to be facilities.

### Good oilfield practice

As defined in s 7 of the OPGGS Act, all those things that are generally accepted as good and safe in the carrying on of exploration for petroleum, or petroleum recovery operations.

### Joint Authority

The Joint Authority for the offshore area of each State (except Tasmania) and the Northern Territory comprises the responsible Commonwealth Minister<sup>12</sup> and the relevant State or Territory Minister. For Tasmania, the Eastern Greater Sunrise offshore area, and external Territories (e.g. the Territory of Ashmore and Cartier Islands), the Joint Authority is the responsible Commonwealth Minister only.

### Offshore area

So much of the Scheduled Area of a State or the Northern Territory comprising waters of the sea beyond the outer limits of the coastal waters and within the limits of the Continental Shelf.

### Offshore Project Proposal

The Offshore Project Proposal (OPP) is a document submitted to NOPSEMA seeking approval to undertake an offshore project, as defined under the Environment Regulations. The OPP requires the proponent to identify, assess and consult on all the potential impacts and risk posed by the relevant project, and provides the opportunity for NOPSEMA and the public to consider a project on a holistic basis.

A titleholder may <u>not</u> submit an environment plan for a component activity of an offshore project unless NOPSEMA has accepted an OPP for the project that provides for the activity.

The OPP framework replaces previous requirements to refer an offshore project to the Minister for the Environment for assessment and approval under the EPBC Act.

<sup>&</sup>lt;sup>12</sup> Under the OPGGS Act, the responsible Commonwealth Minister is the Minister who is responsible for the administration of that Act. This is typically the Minister with portfolio responsibility for resources matters.

#### Operator

For the purposes of the Safety Regulations, the operator with respect to a facility is the person (including a corporate entity) with day-to-day management and control of the facility and its operations. Operators are registered by NOPSEMA under the Safety Regulations.

Under the Safety Regulations, it is an offence to carry out work at a facility or part of the facility unless there is an operator in respect of the facility.

#### Permissioning document

A permissioning document is a document prepared and submitted by a titleholder or operator (as applicable) for assessment and acceptance. The approval of these documents (generally by NOPSEMA or by the Joint Authority) provides the duty holder with permission to undertake the activity or activities described therein, in accordance with the accepted document.

Permissioning documents are effectively risk management plans, and allow relevant agencies to assess the measures proposed by the duty holder to, among other matters, reduce impacts and risks associated with their activities to as low as reasonably practicable (ALARP) and to acceptable levels (for environmental management).

Permissioning documents submitted to and approved by NOPSEMA include the OPP, environment plan, safety case, and well operations management plan (WOMP). The field development plan is the key permissioning document submitted to NOPTA, for acceptance by the Joint Authority.

#### Petroleum

Under the OPGGS Act, petroleum is:

- a) any naturally occurring hydrocarbon, whether in a gaseous, liquid or solid state; or
- b) any naturally occurring mix of hydrocarbons, whether in a gaseous, liquid or solid state; or
- c) any naturally occurring mixture of:
  - i. one or more hydrocarbons, whether in a gaseous, liquid or solid state; and
  - ii. one or more of hydrogen sulphide, nitrogen, helium and carbon dioxide; and
- d) includes petroleum as defined by paragraphs (a), (b) or (c) that has been returned to a natural reservoir; and
- e) for the purposes of the pipeline provisions, also includes any petroleum as defined by paragraphs (a), (b), (c) or (d), where:
  - i. one or more things have been added; or
  - ii. one or more things have been wholly or partly removed, or both.
- f) for the purposes of the pipeline provisions, also includes any mixture that:
  - i. has been recovered from a well; and
  - ii. includes petroleum as defined by paragraph (a), (b), (c) or (d);

whether or not

- iii. one or more things have been added; or
- iv. one or more things have been wholly or partly removed.

or both.

### Petroleum activity

Under the Environment Regulations, operations or works in an offshore area undertaken for the purpose of (a) exercising a right conferred on a petroleum titleholder under the OPGGS Act by a petroleum title or (b) discharging an obligation imposed on a petroleum titleholder by the OPGGS Act or a legislative instrument under the OPGGS Act.

### **Related Person**

Under sections 586, 586A, 587 and 587A of the OPGGS Act, a person other than the current or former titleholder or a related body corporate of a current or former titleholder can also be given a remedial direction by NOPSEMA and the responsible Commonwealth Minister; for the purposes of this guideline we will refer to these people as 'related persons'.

A 'related person' is a person who the responsible Commonwealth Minister determines is capable of significantly benefiting financially or has significantly benefited financially from the activities authorised by the title, and/or is or has been in a position to influence compliance with obligations under the OPGGS Act, and/or acts or has acted jointly with the current or former titleholder in relation to activities authorised by the title.

The Minister may only determine that a person is a related person taking into account circumstances or events on or after 1 January 2021.

### Plugged and Abandoned

Where this document refers to plugging and abandonment, it has the same meaning as "plugged and closed off" in the OPGGS Act and "permanently abandoned" in the RMA Regulations.

### Safety Case

A safety case is a document setting out the arrangements for health and safety that are used by managers, supervisors and the workforce to understand health and safety issues and their controls.

The safety case sets out the operator's commitments to reducing safety risks to a level that is as low as reasonably practicable. The case must include, among other matters, a detailed description of the safety management system (SMS) for a facility.

Under the Safety Regulations, it is an offence to carry out work at a facility or part of the facility without an accepted safety case in force that provides for the relevant activity or activities.

### Scheduled Area

The Scheduled Area, for a State or the Northern Territory, refers to the area delineated in Schedule 1 (clauses 1-8) of the OPGGS Act.

### Stakeholder

A person with an interest (a 'stake') in an enterprise, and/or a person involved or affected by a particular course of action.

### Territorial sea baseline

The line from which the seaward limits of Australia's Maritime Zones are measured. The baseline broadly corresponds with the low water line along the coast, including the coasts of islands. Under international law, a normal baseline may be drawn around low tide elevations – defined as naturally formed areas of land surrounded by and above water at low tide but submerged at high tide, provided they are wholly or partly within 12 nautical miles of the coast.

The territorial sea baseline is defined by proclamation – currently by the <u>Seas and Submerged Lands</u> (<u>Territorial Sea Baseline</u>) <u>Proclamation 2016.</u>

### (Petroleum) Titleholder

The entity or entities registered as the holder(s) of a petroleum exploration permit, petroleum retention lease, petroleum production licence, pipeline licence, infrastructure licence, petroleum special prospecting authority or petroleum access authority.

### Well operations management plan (WOMP)

A WOMP is a document by which a titleholder identifies risks posed by activities relating to a well that are carried out during the life of the well (well activities), and sets out measures to ensure risks to well integrity are reduced to as low as reasonably practicable.

After it is prepared by the titleholder, the WOMP is submitted to NOPSEMA. NOPSEMA then assesses the WOMP against the criteria set down in the RMA Regulations, and determines whether to accept or reject the WOMP. It is an offence to undertake a well activity in Commonwealth waters without an accepted WOMP that provides for the activity.

For certain well activities, the titleholder must also provide NOPSEMA with advance notice of the activity before it commences.